



The Real Estate TRENDS

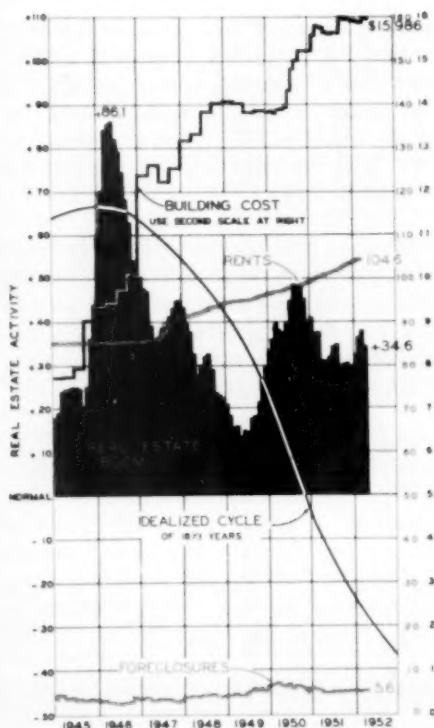
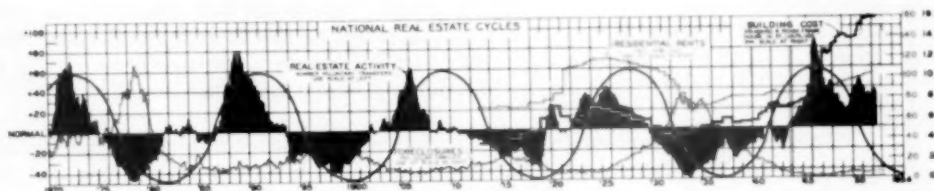
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Number 23

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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS



REAL ESTATE ACTIVITY Following a 3 months' rise of almost 8 points, real estate activity dropped 3.5 points in April.

REAL ESTATE MORTGAGE ACTIVITY Virtually unchanged during month of April. Mortgage money becoming more available.

RESIDENTIAL CONSTRUCTION Down but running toward another banner year. Imminent removal or weakening of Regulation X will provide some stimulus for several months.

RESIDENTIAL CONSTRUCTION COSTS Very little change since October 1951. Not much change anticipated during remainder of 1952.

WHOLESALE AND RETAIL PRICES Wholesale prices have moved down slowly for the past 13 months. Retail prices spotty but recent trend is down.

REAL ESTATE ACTIVITY

During the remainder of 1952 real estate activity is going to be good. It may rise or fall a small amount, but throughout most of this year it will stay close to its present level. Naturally, it will do better in some sections of the country than in others. Defense areas and the few remaining areas where a housing scarcity still exists will enjoy the highest activity. In contrast, those areas where housing supply is in balance or in abundance will probably see a decline in real estate activity.

For the sake of the real estate and residential construction markets, Regulation X should be repealed or altered immediately, or some official statement should be released freezing it in its present status. All of the talk about relaxation of Regulation X is bound to have a dampening effect on the sale of residences, particularly those in the middle and higher price brackets. The tendency will be for buyers to hang back, awaiting the legalizing of more favorable terms.

Brokers should not expect a great deal of protracted help from the changes in Regulation X. There are some families on the fringe of the market that will be brought in, but we believe that this number is relatively small. We expect the rejuvenating effects of these changes to last from three to nine months, depending on how drastic the changes are.

REAL ESTATE MORTGAGE ACTIVITY

Since reaching a recent low point in November 1951, mortgage activity has improved steadily. The present (April) reading of the mortgage activity index stands at 186.1 compared with 170.0 in November 1951. We believe that mortgage activity will continue at about this level for the remainder of the year, and its local rise and fall will roughly correspond to the local rise and fall of real estate activity.

If the new Senate Housing Bill (S. 3066) does not provide sufficient help to keep mortgage activity moving at near its present pace, some additional help can be expected when Congress reconvenes later on this summer. As all of us know, the party in power always likes to campaign during good times and will go to great lengths to do so. Moreover, the Republicans are not apt to win disfavor by opposing "good times" legislation during an election year.

RESIDENTIAL CONSTRUCTION

After a comparatively slow start in the first quarter of 1952 (almost 8% below the first quarter of 1951), residential construction starts picked up briskly in April. The total of 108,000 nonfarm starts is the highest April figure for any recent year except record-breaking 1950. A breakdown of the starts between public and private housing, however, is not so reassuring. For the first four months, private starts are off 6%, while public housing starts are 85% ahead of the same period in 1951.

Residential builders will have little to complain about during the remainder of

the year. Material restrictions are to be drastically reduced and their bitter fight against Regulation X will soon be largely won. They can, perhaps, expect further assistance during the late summer and early fall. As a result of the high volume already under construction and the virtual elimination of all restrictions, another year of 1,000,000 starts would not be a surprise, although it is a trifle early to count on it as a sure thing.

RESIDENTIAL CONSTRUCTION COSTS

There will probably be very little change in residential costs during the remainder of 1952. If there is any change at all, our guess is that it will be down, but only slightly.

GENERAL PRICE LEVEL

During 1952 we believe that the inflationary and deflationary factors will just about balance each other out. Consequently, we expect relatively little change in the general price level for the next several months.

LONG-RANGE DEVELOP- MENT IN FARM LAND VALUES

Everyone knows that farm lands have enjoyed a large increase in value from their prewar levels. Certain sections of the country, however, have shown much greater improvement than have others. In order to get the long-range picture we have compared the increase in farm land values by States with the increase in the national average from 1910 through 1951.

The results (published in detail in our May Agricultural Bulletin) are, in some instances, surprising. The big farm States of Illinois, Missouri, Nebraska, North Dakota and South Dakota have not done so well as the national average. On the other hand, several southern States, benefiting from diversified farming and expanding markets, have shown remarkable rises over 1910 values. Foremost among these States are Alabama, Arkansas, Louisiana, Kentucky, Mississippi, North Carolina, South Carolina, Virginia, Tennessee and Texas.

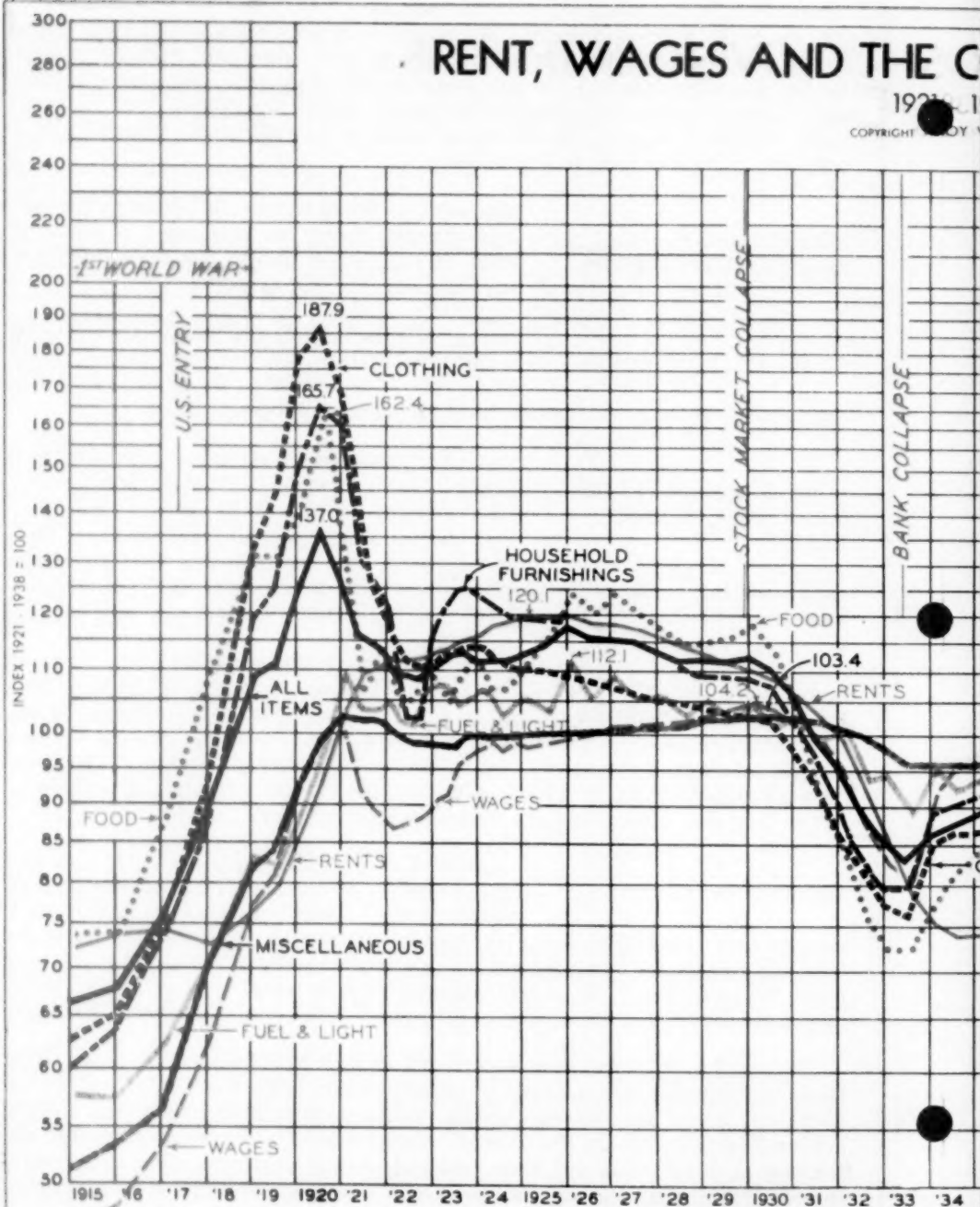
MARKET VALUES

Contained on the back page is a sneak preview of the results of our annual nationwide market value survey. Real estate men and mortgage lenders were asked for their opinion as to the approximate sales value of our standard six-room frame house on a suitable lot within the confines of their city, and also in the suburban areas. Other pertinent data, such as rental value and taxes, were also collected. The complete survey will appear in the June "As I See It" Bulletin.

Needless to say, there are several limitations on a study of this type. This house would prove quite a rarity in many sections of the country. Also, in the southern regions and, to some extent, in the Southwest and West, few houses are constructed with full basements. We have held to the standard design for the sake of comparison, and those supplying the information in these areas were requested to estimate as best they could what this house would bring as specified.

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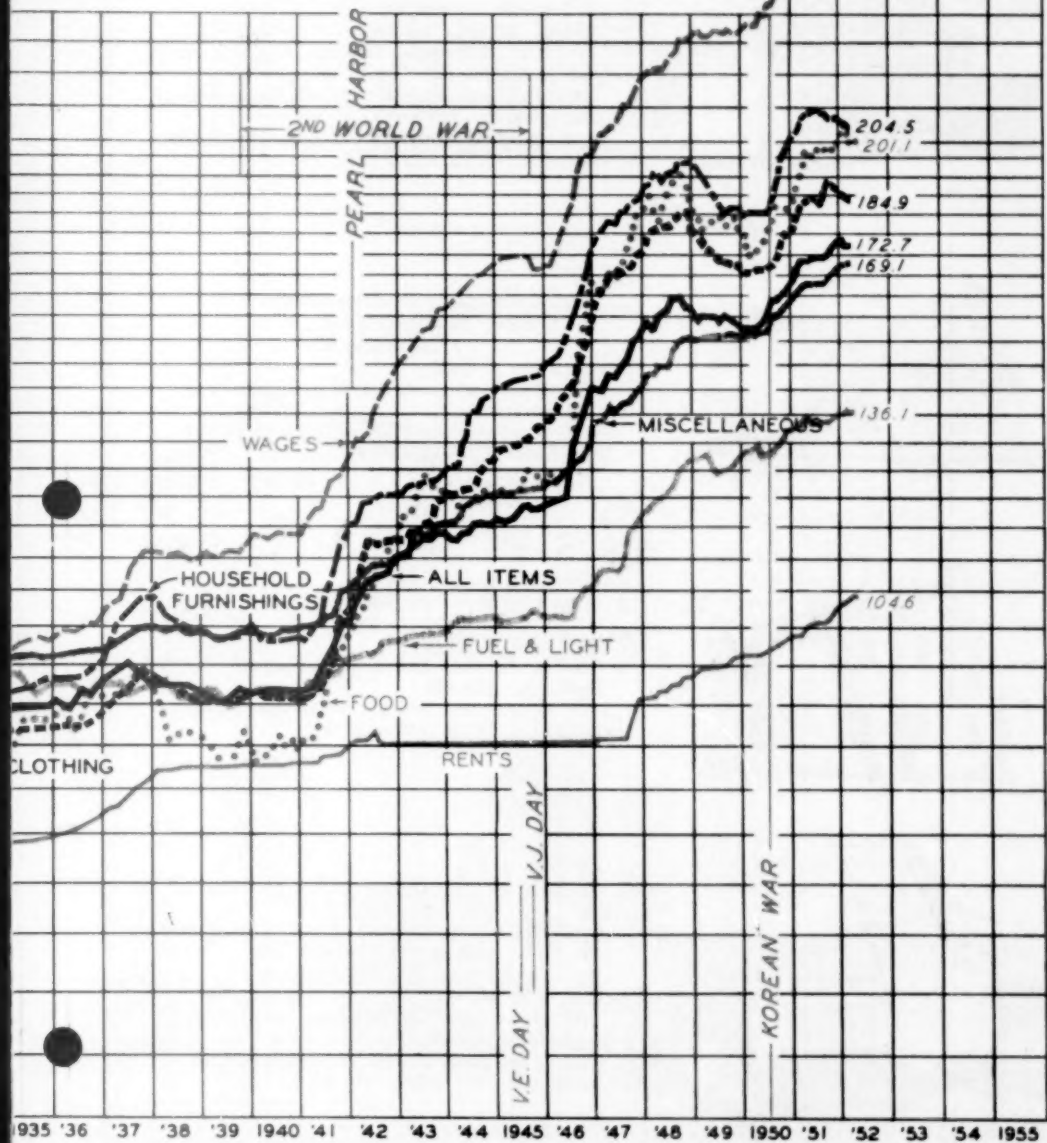
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COST OF LIVING IN THE U. S.

1938 = 100

WENDELL & CO. - 1952



INCREASES IN BUILDING COSTS SINCE 1939

ST. LOUIS
(May 1952)



SIX-ROOM BRICK HOUSE (FRAME INTERIOR)*

Content: 23,100 cubic feet
1,520 square feet

Cost 1939: \$ 6,400
(27.7¢ per cubic foot; \$ 4.21 per square foot)
Cost today: \$16,897
(73.1¢ per cubic foot; \$11.12 per square foot)
INCREASE OVER 1939 = 164%



FIVE-ROOM BRICK VENEER HOUSE*

Content: 24,910 cubic feet
1,165 square feet

Cost 1939: \$ 5,440
(21.8¢ per cubic foot; \$ 4.67 per square foot)
Cost today: \$14,512
(58.3¢ per cubic foot; \$12.46 per square foot)
INCREASE OVER 1939 = 166.8%



SIX-ROOM FRAME HOUSE*

Content: 24,288 cubic feet
1,650 square feet

Cost 1939: \$ 5,671
(23.4¢ per cubic foot; \$3.44 per square foot)
Cost today: \$15,986
(65.8¢ per cubic foot; \$9.69 per square foot)
INCREASE OVER 1939 = 181.9%



6-ROOM CALIFORNIA BUNGALOW - NO BASEMENT

Content: 12,119 cubic feet
992 square feet

Cost 1939: \$3,117
(25.6¢ per cubic foot; \$3.14 per square foot)
Cost today: \$8,519
(70.3¢ per cubic foot; \$8.59 per square foot)
INCREASE OVER 1939 = 173.3%

*Costs include full basement.

INCREASES IN BUILDING COSTS SINCE 1939

ST. LOUIS
(May 1952)



COMMERCIAL BUILDING - NO BASEMENT

Content: 115,850 cubic feet
8,075 square feet

Cost today: \$50,977

(44.0¢ per cubic foot; \$6.31 per square foot)



18-FAMILY BRICK APARTMENT (FRAME INTERIOR)*

Content: 168,385 cubic feet
13,260 square feet

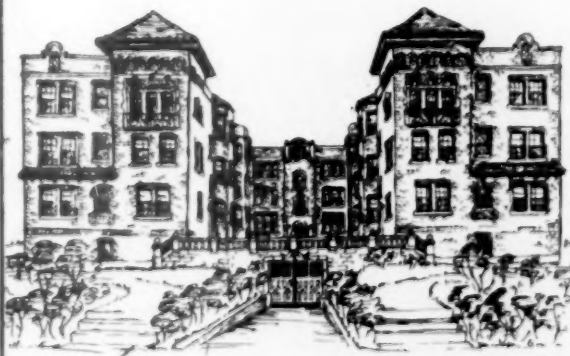
Cost 1939: \$ 60,300

(35.8¢ per cubic foot; \$ 4.55 per sq. ft.)

Cost today: \$159,778

(94.9¢ per cubic foot; \$12.05 per sq. ft.)

INCREASE OVER 1939 = 165.0%



30-UNIT REINFORCED CONCRETE APARTMENT*

Content: 305,534 cubic feet
21,372 square feet

Cost 1939: \$135,000

(44.5¢ per cubic foot; \$ 6.33 per sq. ft.)

Cost today: \$340,552

(\$1.12 per cubic foot; \$15.93 per sq. ft.)

INCREASE OVER 1939 = 152.3%

CURRENT MARKET PRICE FOR OUR STANDARD SIX-ROOM FRAME HOUSE INCLUDING LOT IN 146 CITIES

City	Suburbs	City	Suburbs	City	Suburbs
Akron, Ohio	\$21,000	Greensboro, N. C.	\$20,000	Providence, R. I.	\$19,000
Albany, N. Y.	20,000	Hamilton, Ohio	18,000	Pueblo, Colo.	17,750
Allentown, Pa.	21,000	Harrisburg, Pa.	22,300	Racine, Wash.	20,750
Altoona, Pa.	16,500	Hartford, Conn.	17,500	Raleigh, N. C.	20,000
Ann Arbor, Mich.	15,250	Houston, Texas	18,500	Reading, Pa.	18,500
Atlanta, Ga.	23,000	Huntington, W. Va.	17,000	Richmond, Va.	13,750
Atlantic City, N. J.	15,000	Indianapolis, Ind.	16,000	Rio Rancho, N. Y.	13,000
Aurora, Ill.	14,750	Jackson, Miss.	21,000	Rochester, N. Y.	17,000
Austin, Texas	18,750	Jacksonville, Fla.	15,000	Rockford, Ill.	15,900
Baltimore, Md.	16,250	Johnstown, Pa.	12,000	Sacramento, Calif.	16,000
Barnstable, Mass.	20,000	Kalamazoo, Mich.	18,500	Saginaw-Bay City, Mich.	23,750
Bethlehem, Pa.	20,000	Kansas City, Mo.	16,500	St. Joseph, Mo.	21,250
Birmingham, Ala.	18,500	Kansas City, Kan.	21,500	St. Louis, Mo.	20,000
Boston, Mass.	17,500	Kansas City, Mo.	22,500	St. Paul, Minn.	13,125
Bridgport, Conn.	16,000	Lansing, Mich.	19,250	St. Petersburg, Fla.	19,750
Buffalo, N. Y.	20,000	Lima, Ohio	18,250	St. Paul, Minn.	18,000
Cambridge, Mass.	19,000	Lincoln, Neb.	20,000	Salt Lake City, Utah	20,000
Camden, N. J.	21,350	Little Rock, Ark.	19,000	San Antonio, Texas	25,500
Canton, Ohio	18,000	Long Beach, Calif.	14,500	San Diego, Calif.	17,400
Cedar Rapids, Iowa	17,500	Los Angeles, Calif.	18,000	San Francisco, Calif.	18,000
Charleston, W. Va.	16,250	Louisville, Ky.	17,375	San Jose, Calif.	18,500
Chattanooga, Tenn.	20,000	Lowell - Lawrence - Haverhill, Mass.	17,875	Seattle, Wash.	21,750
Chicago, Ill.	28,500	Lynn, Mass.	14,000	Shreveport, La.	17,500
Cincinnati, Ohio	20,000	Macon, Ga.	18,500	Sioux City, Iowa	20,000
Cleveland, Ohio	20,000	Madison, Wis.	18,000	South Bend, Ind.	18,000
Columbia, S. C.	35,250	Manchester, N. H.	17,750	Spokane, Wash.	21,000
Columbus, Ga.	18,000	Memphis, Tenn.	20,750	Springfield, Ill.	23,000
Columbus, Ohio	22,750	Miami, Fla.	15,500	Springfield, Mass.	20,000
Dallas, Texas	18,000	Middleton, Ohio	17,500	Springfield, Ohio	17,000
Davenport, Iowa	17,500	Milwaukee, Wis.	18,000	Stockton, Calif.	22,500
Dayton, Ohio	22,500	Mobile, Ala.	16,500	Syracuse, N. Y.	20,000
Denver, Colo.	24,500	Moline, Ill.	18,000	Terre Haute, Ind.	18,000
Des Moines, Iowa	20,000	Muskegon, Mich.	22,750	Topeka, Kan.	17,500
Detroit, Mich.	20,000	Muskegon, Mich.	23,000	Trenton, N. J.	19,500
Duluth, Minn.	18,400	Muskegon, Mich.	24,000	Toledo, Ohio	18,500
Durham, N. C.	17,600	Nashville, Tenn.	17,250	Tulsa, Okla.	22,750
Easton, Pa.	18,500	Newark, N. J.	20,000	Waco, Texas	19,500
Elizabeth, N. J.	17,750	New Haven, Conn.	19,100	Warren, Ohio	19,250
El Paso, Texas	19,000	New Orleans, La.	18,500	Washington, D. C.	22,500
Erie, Pa.	20,000	Newport News, Va.	24,000	Waterbury, Conn.	18,250
Evansville, Ind.	17,500	Oakland, Calif.	17,500	Waterloo, Iowa	20,000
Fall River, Mass.	17,500	Oakland, Calif.	18,500	Wheeling, W. Va.	19,500
Flint, Mich.	18,000	Oklahoma City, Okla.	20,000	Wilkes-Barre, Pa.	16,000
Fort Wayne, Ind.	18,250	Omaha, Neb.	20,000	Wilmington, Del.	15,500
Fort Worth, Texas	15,500	Pasadena, N. J.	18,000	Winston-Salem, N. C.	15,250
Fresno, Calif.	18,500	Peoria, Ill.	17,850	Worcester, Mass.	17,350
Gallatin, Texas	17,000	Philadelphia, Pa.	24,375	Yonkers, N. Y.	23,000
Gary, Ind.	23,000	Phoenix, Ariz.	26,500	Youngstown, Ohio	18,500
Grand Rapids, Mich.	18,000	Pittsburgh, Pa.	18,000		
	15,000	Portland, Oreg.	18,000		

NOTE: Dashes indicate insufficient information received to date.